(b) the details of the recommendations of Vijay Kelkar Committee regarding restructuring of oil sector?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T. R. BAALU): (a) and (b) The report of "Strategic Planning Group" for restrucouring of the National Oil Industry is being examined by the Government.

Division of Equity in public Sector Oil Companies

629. SHRI SANJAY DALMIA: Will the PRIME MINISTER be pleased to state:

(a) whether Government have taken any decision to disinvest 5% of their holdings in the Indian Oil Corporation;

(b) if so, the amount of funds estimated to be raised as a result thereof;

(c) whether Government propose to disinvest their holdings in some more public sector undertakings in the oil sector; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI T.R. BAALU): (a) and (b) Yes, Sir. The Government has decided to disinvest a part of its holding amounting to 5% of the issued capital in IOC. The actual realisation by the Government through disinvestment shall depend mainly upon the market conditions at the time of the launch, etc.

(c) and (d) At present, there is no concrete proposal before this Ministry in this regard.

Demand of Petroleum by the end of the Century

630. SHRI PARMESHWAR KUMAR AGARWALLA: Will the PRIME MINISTER be pleased to state:

(a) what is the likely demand for crude and petroleum products by the end of the century and the Ninth Five Year Plan;

(b) what would be the requirement for various distributive channels, including the cross country pipelines, tankages, railway and road movement infrastructure, port terminals, etc. to handle the volume of demand and how these are sought to be provided to enable uninterrupted flow of crude and petroleum products; and

(c) whether these facilities are adequate to handle the present demand levels, and if not, what is the policy for these facilities?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T. R. BAALU): (a) to (c) The demand for crude oil, by the end of IX Plan, is likely to be 118.45 MMT and petroleum products 112.79 MMT. Bulk transportation of the petroleum products is undertaken primarily by rail and pipelines. In order to have adequate distributive channels, the Oil Industry is procuring new tankwagons and has identified a number of pipelines to be set up in the country during IX Plan period. Government has initiated steps for the formation of joint venture holding company for setting up new pipelines in the country. Oil Industry has also identified locations for development of port infrastructure for meeting current and future requirements. Oil industry has planned to set up additional product tankage of 7.98 Million K.L. during 9th Five year Plan.

Freight and Transportation cost of Petroleum Products

631. SHRI SUDHIR RANJAN MAJUMDAR: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that supply of petroleum products is controlled and is almost fixed for the bulk consumers, including retail outlets;

(b) if so, what are the reasons that Indian Oil Corporation Ltd. incurred

expenses of Rs. 2252 crores on account of travelling, communication, sales, freight, transportation, handling and other expenses for 1994-95;

(c) whether Indian Oil Corporation are charging freight and transportation cost through its pipelines of about 5293 kms., at par with the Railway freight for transporting Petroleum products; and

(d) if not, what are the rates being charged for transportation through pipelines and by the Railways?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T. R. BAALU): (a) Yest Sir.

(b) As per the accounting principles and practices, recovery of charges towards freight and transportation from bulk consumers including retail outlets are accounted as a part of turnover on gross basis. These recoveries are as per the rates fixed by Government from time to time in respect of products, prices of which are controlled by the Government. Accordingly, the expenses are incurred and also accounted for under the relevant hands of accounts on gross basis. These are also the requirements of Schedule VI to the Companies Act, 1956.

(c) and (d) Under the existing pricing mechanism applicable to administered products, through the product may be moved through pipeline, the transportation charges equivalent to frozen Notional Railway freight applicable pre-1.12.86 alongwith increases effected in 1992 and 1995 is being recovered from the customer. However, in exceptional cases, even transportation cost of pipeline is being recovered from consumer.

Increasing the production from oilfields

632. DR. MOHAN BABU: Will the PRIME MINISTER pleased to state:

(a) the strategy devised to increase domestic production from the existing oilfields;

(b) whether Government propose to delink services sector from oil exploration companies, to enable them to concentrate on more production; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T. R. BAALU): (a) The production from the existing fields is sought to be increased through—

- — Implementation of new projects/ schemes and additional development of existing fields.
- — Implementation FOR Schemes and extending some of EOR Schemes from pilot scale to full scale field application.
- — Implementation of specialised technologies such as ERD, side track, horizontal and drain hole drilling.
- — Obtaining services of international experts wherever considered necessary.
- — 3-D seismic survey of the oil fields.
- — Rectificatory measures such as aggressive workovers, use of specialised technologies like long/ short drift side track, drain hole have been planned for revival of sick wells which still have potential.

(b) and (c) There is no such proposal under consideration of the Government at present.

Development of an Oil Tank farm by the London based Foresight Group

633. PROF. RAM KAPSE: Will the PRIME MINSITER be pleased to state:

(a) whether it is a fact that a London-based Foresight Group, promoted by an NRI, is planning a project in India to develop an oil tank farm for storage of crude oil, refined petroleum products and Liquified Petroleum Gas (LPG);